

MEMORANDUM

TO: CPARB Members
Marsha Reilly
Searetha Kelly

FROM: Pay Undisputed Claims Task Force

DATE: December 8, 2008

RE: GC Issue #2 – Pay Undisputed Claims Promptly

After significant discussions and the tireless work of John Ahlers and Mike Purdy, the Task Force makes the following recommendation to CPARB to add language to RCW 39.04 as follows:

"No later than thirty days after satisfactory completion of any additional work or portion of any additional work by a contractor on a public works project, the state or municipality shall issue a change order to the contract for the full amount of the work not in dispute between the state or municipality and the contractor. If the state or municipality does not issue such a change order within the thirty days, interest shall accrue on the dollar amount of the additional work satisfactorily completed and not in dispute until a change order is issued. The state or municipality shall pay this interest at a rate of one percent per month. For the purposes of this section, additional work is work beyond the scope defined in the contract between the contractor and the state or municipality."

Members of the Task Force present at the December CPARB meeting can answer any questions the Board Members might have on this language.

Marsha Reilly 786-7135

House Committee on State Government and Tribal Affairs

December 11, 2008 (8:48 AM)

1 AN ACT Relating to payment of undisputed claims; and adding a new
2 section to chapter 39.04 RCW.

3
4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5
6 NEW SECTION. Sec. 1. A new section is added to chapter 39.04 RCW
7 to read as follows: No later than thirty days after satisfactory
8 completion of any additional work or portion of any additional work by
9 a contractor on a public works project, the state or municipality
10 shall issue a change order to the contract for the full amount of the
11 work not in dispute between the state or municipality and the
12 contractor. If the state or municipality does not issue such a change
13 order within the thirty days, interest shall accrue on the dollar
14 amount of the additional work satisfactorily completed and not in
15 dispute until a change order is issued. The state or municipality
16 shall pay this interest at a rate of one percent per month. For the
17 purposes of this section, additional work is work beyond the scope
18 defined in the contract between the contractor and the state or
19 municipality